

STATEMENT OF
CONGRESSMAN GREGORY MEEKS (NY-6TH)
before the
House Committee on the Budget
Thursday, March 6, 2001
Room 210 Cannon HOB

Mr. Chairman,

I welcome the opportunity to offer testimony before your Committee today. I would like to extend appreciation and commendation to the distinguished ranking member, Congressman John Spratt, Jr. of South Carolina, for his diligent and consistent work toward a sound and bi-partisan approach to setting budget priorities for the 107th Congress.

Mr. Chairman, it is with great concern for process and convention that I address you today. The House is scheduled to begin debate on perhaps the most broad sweeping and profound tax rate reduction measure since the creation of the current tax structure. To even consider a tax cut prior to setting budget priorities and budget parameters is philosophically adolescent and risky at best.

While I support the proposal to provide the American people with a hard earned tax cut, I am equally concerned about the established spending process which has governed this body for many many years. Today, as we engage each other on the floor of the House about the merits of a tax cut and which group of tax payers stand to benefit the most, we have wholly ignored a most vital part of our democratic system. We have completely overlooked the peoples agreed upon process by its elected representatives to set budgetary parameters and priorities.

Mr. Chairman, my concerns about the process represent my first thoughts on the

current fiscal issues before the House, however, I am equally concerned about other budgetary issues, and I would like to present those to the Committee and hopefully get some clarity on how we, as a body, will approach them.

Having addressed the lack of process, I would like to outline budget priorities:

Mr. Chairman, as we continue to strive towards urban revitalization, economic development has become the cornerstone of the recovery of the most depressed areas in the country. We must support and increase empowerment zones. Community Development Financial Institutions, The Prime Act and other programs contribute to our ability to foster economic development in areas of greatest need. We must continue to support the entrepreneurs who are willing to invest their time, energy and expertise in urban America. We must target funds to expand those opportunities and make it possible for the nation's community economic revitalization to flourish.

When I think of the devastating AIDS epidemic and the impact it is having on the economy; the family; the health care system; and the very fibers of our nation, I am humbled by the task before us. We must devote resources to the education, prevention and cure of AIDS. The rise in the infection rate among teenagers is calamitous. We must remember that the youth are our future. No greater investment or return can we find than in the youth of today. The amount of funds devoted to youth AIDS is inadequate. Faced with statistics which suggest that almost half of new infections occur in Americans under the age of 25, we must meet this challenge head on.

The majority of new cases of AIDS infection is among people of color. AIDS cases among women have reputedly doubled in the last ten years. The AIDS epidemic has cast a wide net internationally and that is of paramount concern to the United States. There are many community based, direct care programs helping to improve the lives of those

living with AIDS who receive the bulk of or their total funding from federal programs. Title I and Title III program must not be neglected or reduced in this effort. They must receive our greatest support and funding in order that we can continue to improve the quality of life for those living with AIDS. Making our "War on AIDS" a budget priority is in the best interest of this country. Mr. Chairman, we must support and fund the NIH initiatives to expand and strengthen science-based HIV prevention research for African-Americans, Latinos, Native Americans, Asian Americans, Native Hawaiians and Pacific Islanders.

I cannot begin to highlight each and every aspect of the AIDS crisis to which we must devote both our time and resources. I can only say that as we look around us and see an entire generation of young people succumb to this disease we know it is a priority. As we watch scores of minority women and men leave children, families and jobs, we know it is a priority. Our commitment to this plague-like malaise must be met with due diligence.

On education, Mr. Chairman, the current administration's budget, while representing an increase, does not go far enough. We must not abandon the nation's public schools because we say we cannot afford to improve them. We must reward the nation's teachers commensurate with the job they are doing. Mr. Chairman, I am not making a case for merit based teaching. I am making a case for making teaching a meritorious and financially rewarding occupation. We are a nation where ball players are paid one quarter of a billion dollars and we squawk at a 10% raise for teachers. I take my hat off to the agent who secures the high salaries for athletes, however, as the agent and caretaker of the nation's education system, we must do a better job by the dedicated men and women playing in our education field. I am proposing an increase in the education budget and a real commitment to the nation's public school system.

As we move through the digital age, many small businesses are playing catch up. I am convinced that our economic future is linked to the prosperity of the nation's small businesses. The techno-revolution cannot pass by the small business community. We must invest in their dream and make it our dream. We must set a standard for providing start up capital to the nations small business community– not to make them competitive with the giants, but rather to provide a complement to the giants. Mr. Chairman, we must increase the funds available to the small business community.

I believe that we, as a nation, must seek to make adequate and available housing a major priority. Too many Americans wait far too long before they can find the right help, funding, or units in our communities. Housing spans the spectrum of our national neglect. Impoverished families living on the street has become more prevalent; AIDS patients who can no longer sustain employment and must live in inadequate situations makes our requested funding level of \$300 million dollars for the Housing opportunities for Persons with AIDS (HOPWA) program a national priority. The issue of homelessness has far reaching implications for an individual's employability. As the richest nation in the world, we must lend federal support to communities trying to build on vacant lots; trying to revitalize retailers; and improve the nation's infrastructure.

In the area of health and social services, we must respect and reserve the hard earned surplus in Social Security and Medicare. The medically under-served in the United States benefit from many federal programs. We must exercise compassion and caution as we try to trim spending. There are children in this country who would live without health care but for the largess of federal programs. Mr. Chairman, in my District, we strive to maintain those programs providing direct health care services to children. Our national list of priorities must include keeping children healthy as well as making preventative care available, accessible and affordable; if we can do this, Mr. Chairman–our federal dollars will be well spent.

I would be remiss, Mr. Chairman, if I did not include on my list of budget priorities, a tax cut. The people of this country have earned and deserve a tax cut and I am convinced that in the grand scheme of things, we can give them one. I believe that fiscally sound policy, based on real numbers will show that a tax cut is plausible and expected.

On the international front, our commitment to global peace and cooperation should be reflected in our allocations to the 150 account. As the world's leading industrialized nation, we commit less than one percent of our GNP to our foreign policy agenda. We are often time viewed as stingy to the rest of the world when it comes to fulfilling our obligation as international partners in world affairs. We, however, wield a great deal of power and influence in the resolution of conflict around the world. We must resolve, once and for all, our level of commitment to the international peacekeeping effort and support that commitment with the appropriate resources. It is imperative that we continue to encourage and implement debt relief programs so that our global partners can begin to restore their internal fiscal mechanisms.

Mr. Chairman, as we look toward spending patterns which reflect our national priorities, we must include the repayment of the national debt. This body has been a willing partner in the budget development which has lead to the comfort we now enjoy. We must continue to service our debt repayment scheme in a timely and satisfactory manner.

I have listed for you, Mr. Chairman, those issues I believe to be paramount on our list of priorities for this year's budget. It is my hope that in your attempt to proceed with this budget process, we have the opportunity to weigh all of our concerns. I ask that we are given the opportunity to decipher what our coffers contain and then decide where the funds will go. We may not see eye to eye on all issues. However, at least we will have

an open honest and inclusive debate on those items on the table.

Many issues relate directly to the Bush Administration budget and this far reaching tax cut essentially relies on far too many uncertainties and projections.

I am concerned , Mr. Chairman, about the extent to which we rely on CBO projections as a basis for projected surplus. Forecast of economic performance is risky at best as a planning tool, and is subjected to constant revisions with even the best market predictors. Already, estimates of over \$2 trillion are floating as a result of the Ways and Means Committee's decision to accelerate the proposed 10% bracket ahead of the President's own time table.

Mr. Chairman, I fear that this attack on the Congressional Budget Act will result in tax cuts at the expense of every other potential priority we may identify as we conduct the normal budgetary process in the House of Representatives. Our foremost concern has been and must remain the sanctity of the Social Security and Medicare surpluses. The baby boomer generation is rapidly becoming our next wave of social security recipients and we must protect the surpluses which rightfully belong to them. The Congressional Budget Act grants the right and privilege of the Congress to use the budget process to set the priorities. In the absence of that process, we are merely responding or reacting to established parameters– which have little or nothing to do with the priorities established by the process itself.

Tax cuts, as well as debt repayment and non-discretionary spending must be a part of a greater inclusive budget process. Whether or not we agree on some of his established priorities is hardly the issue. The issue is that we have a process in place. The American people deserve the benefit of a full and inclusive debate about US budget

priorities. The "Helping Hand" program for prescription drugs is a valuable component; Medicare reform is beneficial to all; tax cuts are the legitimate reward of a fiscally responsible nation; but I submit to you Mr. Chairman that they too must take their rightful place in the context of all of our national priorities. We must make those decision in a bi-partisan, compassionate and fiscally responsible way.

Mr. Chairman, as we speak, the hospital industry in New York is still reeling from a 1997 Balanced Budget Act provision which was based in part on predictions, projections and forecasting. While some of the impact has been remedied by a partial restoration of funds, it is an ideal example of what happens when we make predictions. It should be a lesson about what can happen when we abrogate process and turn our backs on the tried and tested.

I am encouraged by the fact that we are engaging the budget process and hopefully we can catch up to the tax cut process before it becomes an Achilles heel for years to come. It is my sincere wish, as the voice of the people, that we restore order, balance and legitimacy to our proceedings. Then and only then can we really set our budget priorities in a fair and inclusive way.